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DOR 360



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DLS Announces New "Applied Concepts in Municipal Finance" Course

In a fresh effort to engage with our stakeholders in local government, and to find new ways to make the resources and experience of DLS available to a wider audience, we have prepared a new course, "Applied Concepts in Municipal Finance."

This free course will be offered in the fall and to entry to mid-level municipal employees. Applications and additional information will be available from DLS later this year.

The purpose of the course is to help educate the next generation of leaders in local government finance by providing an introduction to property assessment, classification, taxation and the organization and role of DLS. We recognize that a new generation will be rising through the ranks to take leadership positions in local government in the coming years, and we want to help prepare that leadership.

The course will run for five full days, one day a week for five consecutive weeks, with morning and afternoon sessions. DLS will be looking for a city or town hall available to host the course.

The course is designed to provide participants for an overview of municipal and state government regulations, policies and functions. Upon successful completion of all course requirements, participants will receive a Certificate of Completion from DLS.

Course instructors will come from the ranks of the various DLS bureaus. Course modules include overviews of state and municipal government; an introduction to municipal finance law; DLS Gateway, the Municipal Databank and online tools; budgeting and capital planning; revenue sources, reserves and free cash; Proposition 2 1/2; property assessment, the tax recapitulation process; and financial management.

In its FY14 Strategic Plan, DLS committed to developing a higher-level municipal finance course. A DLS group chaired by Dan Bertrand, working with Andrew Nelson, Nate Cramer, John Gannon, Donna Quinn and Joe Markarian, has met regularly to deliver on this strategic plan initiative, and I want to give them my thanks for a job well done in creating this new educational opportunity.

Please email dlsregistration@dor.state.ma.us to receive additional information on this new educational opportunity as it becomes available.

Robert G. Nunes
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Ask DLS

This month's *Ask DLS* features frequently asked questions about motor vehicle excise abatements. Please let us know if you have other areas of interest or send a question to cityandtown@dor.state.ma.us. We would like to hear from you.

For what reasons may a taxpayer receive an abatement of a motor vehicle excise?

A taxpayer who documents that one of the following situations applies is eligible for abatement of a motor vehicle excise. [G.L. c. 60A, sec. 1](#).

A.) Overvalued vehicle - The excise was based on more than the percentage of the manufacturer's list price of the vehicle that applies for the excise year under the schedule established by [G.L. c. 60A, sec. 1](#). In that case, the assessors should abate the excise to the correct amount and notify the Registry of Motor Vehicles (RMV) of the correction in order to prevent incorrect excises from being assessed in future years.

For example, the 2013 motor vehicle excise assessed on a 2014 model year vehicle was based on 90 percent of the manufacturer's list price, instead of the 50 percent established in the statutory schedule for an excise assessed in the year preceding the year of manufacture. The taxpayer is entitled to an abatement of the difference.

Taxpayers do not have a right to abatements due to individual determinations of value based on the actual purchase prices or the current conditions of their vehicles. The excise is not based on the actual purchase price or "book value" of the vehicle. In [Lily Transportation Co. v. Board of Assessors of Medford](#), 427 Mass. 228 (1998), the Supreme Judicial Court rejected the taxpayer's claim that the excise be abated to reflect the purchase price of the vehicle. According to the Court, the intent of the statute is to value collectively all vehicles in the same classification based on the manufacturer's list price, not to value individually each vehicle.

B.) Moved from billing city or town - The taxpayer (1) moved to another city or town within Massachusetts before January 1 of the excise calendar year and (2) notified the RMV of the taxpayer's change of address and vehicle's place of garaging by January 1 of the excise calendar year, or within 30 days of the move if later.

In this case, the assessors must abate the entire excise and within 60 days of the abatement, notify the assessors of the city or town where the excise should have been assessed and committed. See Section B-2 of [Informational Guideline Release \(IGR\) 04-209, Motor Vehicle and Boat Excise Abatements](#). The assessors of that city or town must then recommit the excise to the collector so that the taxpayer is billed for the year.

Taxpayers do not have a right to abatements if they move to another Massachusetts city or town during the same calendar year as the excise.

C.) Moved outside Massachusetts - During the same calendar year as the excise, the taxpayer (1) moved to another state or country (2) registered the vehicle there and (3) canceled or did not renew the Massachusetts registration.

Assessors may treat registration in the new state or country as a cancellation of the Massachusetts registration, particularly where the new state or country requires the Massachusetts plates to be surrendered as a condition of registration. In that case, the assessors should abate any excise assessed for a subsequent year as well. If, however, the Massachusetts registration continues into another calendar year, the assessors should have the taxpayer cancel the registration first in order to prevent any further excises from being

assessed.

D.) Stolen vehicle - The vehicle was stolen and the taxpayer (1) reported the theft to the local police within 48 hours of discovering it and (2) canceled the vehicle registration and obtained a certificate from the RMV at least 30 days after the theft.

E.) Transferred ownership - During the same calendar year as the excise, (1) title to the vehicle was transferred due to sale, trade, gift, repossession, Lemon Law return, insurance settlement or other disposition and (2) registration of the vehicle was canceled or transferred to another vehicle.

Taxpayers do not have a right to abatements if they retain ownership of their vehicles after canceling or transferring the registrations.

F.) Re-registered vehicle - During the same calendar year as the excise, the same taxpayer (1) canceled the vehicle registration, (2) retained ownership of the vehicle and (3) re-registered the vehicle later in the year. The taxpayer is eligible for abatement of the entire excise assessed upon the re-registration of the vehicle.

How is the abatement amount determined?

Abatements granted to taxpayers who have (1) moved out of Massachusetts or (2) had their vehicles stolen are based on the number of months remaining in the calendar year after the month the last eligibility requirement for the abatement takes place.

For example, in July, a taxpayer moves to another state and in August, registers the vehicle there and cancels the Massachusetts registration. An abatement is granted for the months of September through December, i.e., 4/12th of the excise assessed for the year.

Abatements granted to taxpayers who have transferred ownership of their vehicles are also based on the number of months remaining in the calendar year after the month the last eligibility requirement for the abatement takes place, except where the taxpayer transfers both the ownership and registration in the same month. In that case, the abatement is for the month of the transfer and the months remaining in the calendar year.

For example, a taxpayer sells a motor vehicle in July and cancels the registration on that vehicle in that same month. An abatement is granted for the months of August through December, i.e., 5/12th of the excise assessed for the year. If instead of canceling the registration, however, the taxpayer had transferred it to another vehicle, the abatement is granted for the months of July through December, i.e., 6/12th of the excise assessed for the year. [G.L. c.](#)

[60A, sec. 1.](#)

Is there a minimum abatement?

Assessors may not grant an abatement that is less than \$5 or results in a motor vehicle excise of less than \$5, unless the entire excise is abated. [G.L. c. 60A, sec. 1.](#)

When is a motor vehicle excise abatement application due?

A motor vehicle excise abatement application is due within three years after the date the excise is due, or one year after the date the excise is paid, whichever is later. [G.L. c. 60A, sec. 2.](#)

For example, bills for 2014 motor vehicle excises are mailed on March 1, 2014 and are due 30 days later on March 31, 2014. Abatement applications for those excises are due March 31, 2017, or 1 year after the excise is paid if later. If the taxpayer pays the excise on or after April 1, 2016, the application would be due one year later. Otherwise, it is due March 31, 2017.

Filing an application does not stay the collection of the excise. To avoid interest and collection charges or action, the taxpayer should pay the excise in full on or before the due date.

May the assessors grant an abatement if the taxpayer does not timely apply for an abatement?

The assessors may grant abatements where an application is not timely filed, but only if the excise is still outstanding. [G.L. c. 60A, sec. 8](#); Section B of [IGR 04-209, Motor Vehicle and Boat Excise Abatements](#). Any action on a late filed application is solely within the discretion of the assessors, however, and cannot be appealed to any local or state board, agency or official. If the assessors decline to exercise their discretion, the taxpayer's recourse is to pay the excise in full and apply for abatement by right within one year of the payment date.

How long do the assessors have to act on a timely filed motor vehicle excise abatement application?

Assessors have three months from the date they receive an abatement application to grant or deny an abatement. The three month action period can be extended by written consent of the taxpayer. The application is deemed denied if the assessors do not act within the three month, or extended, action period. [G.L. c. 60A, sec. 2](#); [G.L. c. 59, secs. 64](#) and [65](#).

May a taxpayer appeal the assessors' action on a timely filed

motor vehicle excise abatement application?

Yes. A taxpayer aggrieved by the assessors' action or failure to act on an abatement application may appeal to the county commissioners or the state Appellate Tax Board (ATB). The appeal must be filed within three months of the date the assessors granted or denied the abatement, or the date the application was deemed denied if they did not act on it. [G.L. c. 60A, sec. 2](#); [G.L. c. 59, secs. 64](#) and [65](#).

Is a taxpayer entitled to interest on an abatement refund?

If the abatement is ordered by the county commissioners or ATB, the taxpayer is entitled to interest at 6 percent on the amount refunded from the date the excise was overpaid. [G.L. c. 60A, sec. 2](#). No interest is owed on refunds of paid excises when the abatement is granted by the assessors.

Sign Up Today for the DLS New Officials Finance Forum!

The Department of Revenue's New Officials Finance Forum will be held on Thursday, June 5th at the Hall at Saint George in Worcester. This course is for recently elected or appointed local municipal finance officials. With an emphasis on the basics, it's designed to foster a team approach to municipal finance by developing an understanding of the responsibilities of the various offices as well as their interrelationships.

The day will begin with Deputy Commissioner Robert Nunes' opening remarks, an overview of the Division of Local Services and a presentation of ongoing stakeholder satisfaction efforts and initiatives. Topics presented during this day-long seminar will include an overview of municipal government, the budget process, the tax recapitulation process and reserve and debt policies. We encourage municipalities to forward this information to any and all new officials who would benefit from attending.

Pre-registration is required. Please click the following for [the agenda](#) and [the registration form](#).

Reminder: TAP into DLS

As highlighted in [a recent edition of City & Town](#), DLS would like to

hear from communities interested in setting their property tax rates in November rather than in December. If your community wants to learn more about how DLS can assist your city or town in achieving an earlier setting of the property tax rate through the Taxpayer Assistance Program (TAP), please contact DLS Deputy Commissioner Robert G. Nunes at nunesr@dor.state.ma.us or at (617) 626-2381 to learn more about TAP. Also, please stay tuned for further announcements about the program in future editions of *City & Town*.

May Municipal Calendar

May 1	Taxpayer	Deadline for Payment of Semi-Annual and 4th Quarterly Tax Bill Without Interest According to M.G.L. Ch. 59, Sec. 57, this is the deadline for receipt of the 2nd half actual tax payment, or the actual tax payment if an optional preliminary bill was issued. According to M.G.L. Ch. 59, Sec. 57C, this is the deadline for the 4th Quarter tax payment.
May 1	Treasurer	Deadline for Payment of Second Half of County Tax
May 1	Accountant/Treasurer	Notification of Amount of Debt Due in Next Fiscal Year As required by M.G.L. Ch. 44, Sec. 16, the Accountant or Treasurer must notify the Assessors of all debt due in the next fiscal year because the municipality is required to pay its debts, appropriated or not. Since all debt service must be paid, any debt service not covered by appropriations is added to the "Other Local Expenditures" category, found on 2 of the Tax Recapitulation Sheet. It is important that the Assessors have this information in order to avoid setting a tax

		rate lower than required and raising insufficient revenue to cover the municipality's expenditures.
May 15	DOR/BLA	Commissioner Determines and Certifies Telephone and Telegraph Company Valuation
Final Day of Each Month	Treasurer	Notification of monthly local aid distribution. Click www.mass.gov/treasury/cash-management to view distribution breakdown.
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